



*United States Attorney  
Southern District of New York*

FOR IMMEDIATE RELEASE  
APRIL 15, 2003

CONTACT: U.S. ATTORNEY'S OFFICE  
MARVIN SMILON, HERBERT HADAD,  
MICHAEL KULSTAD  
PUBLIC INFORMATION OFFICE  
(212) 637-2600

**U.S. CHARGES STATEN ISLAND MAN IN PLOT TO LAUNDER DRUG  
MONEY BY SENDING PROCEEDS TO THE WEST BANK AND JORDAN**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, announced that ALAA ODEH, of Staten Island, New York, was arrested this morning and charged with conspiracy to launder drug trafficking proceeds by sending them through an unlicensed money transfer business, also known as an "hawallah," from the United States to persons in the West Bank cities of Nablus and Ramallah and Amman, Jordan.

According to the Indictment, between July 2002 and August 2002, ODEH, 30, and his co-defendant, TAIL UDA, who lives in the Middle East, used their illegal hawallah business to launder at least \$100,000 in pseudoephedrine trafficking proceeds for persons in the Chicago, Illinois, area. Pseudoephedrine is a precursor ingredient that is commonly used to manufacture methamphetamine, a controlled substance also known as "speed" and "crank." The Indictment also charges that since January 2001, ODEH has illegally transferred in excess of \$650,000 from persons

in the United States to their designated recipients in Nablus, Ramallah and Amman.

**ALAA ODEH'S ILLEGAL HAWALLAH MONEY TRANSFER BUSINESS**

The Indictment charges that ODEH's illegal hawallah money transfer business - which was not licensed by New York State - operated as follows: Typically, after ODEH received checks and other monetary instruments from persons in the United States, he would either (i) send them, usually by mail, directly to co-conspirators, including his co-defendant, UDA, in Nablus, Ramallah or Amman, or (ii) deposit the instruments in bank accounts ODEH controlled in the United States, then draw checks against the bank accounts in the amounts to be transferred, and send those checks to co-conspirators including, UDA, in Nablus, Ramallah or Amman, Jordan.

When ODEH's co-conspirators abroad received checks and other monetary instruments from ODEH, they would deposit the instruments in banks in Nablus, Ramallah or Amman, and make disbursements against the deposited instruments to the intended recipients of the funds in the Middle East. ODEH received a commission for each transfer of funds he made from the United States to the Middle East.

**ALAA ODEH'S LAUNDERING OF DRUG PROCEEDS THROUGH HIS HAWALLAH MONEY TRANSFER BUSINESS**

The Indictment charges that beginning in at least July 2002, ODEH and a Chicago-based pseudoephedrine trafficker

(identified in the Indictment as "CC-1") made an arrangement whereby ODEH would use his unlicensed money transfer business to assist the trafficker in laundering funds that constituted the proceeds of illegal drug trafficking by transferring the drug money to CC-1's designees in the Middle East.

Under their arrangement, between July 2002 and August 2002, the Chicago-based trafficker sent at least five checks - which represented the proceeds of illegal pseudoephedrine trafficking and totaled more than \$100,000 - through the mail to ODEH in Staten Island. After ODEH received the checks, he caused the checks or their monetary equivalent to be transferred to his contacts in Nablus, Ramallah, and Amman Jordan, who then disbursed the funds to the trafficker's associates. ODEH and the trafficker were thereby able to conceal and disguise the nature, location, source, ownership and control of the proceeds of the illegal drug trafficking.

ODEH and UDA are charged in Count One with conspiracy to commit unlicensed money transferring and, if convicted, face a maximum term of imprisonment of 5 years. ODEH is charged in Count Two with unlicensed money transferring and if convicted, faces a maximum term of imprisonment of 5 years. Count Three charges ODEH with conspiracy to commit money laundering and, if convicted, faces a maximum term of imprisonment of 20 years. The Indictment also

seeks forfeiture to the United States of (i) \$650,000, representing property involved in the unlicensed money transmitting offense (ii) approximately \$33,098 in cash seized from ODEH on February 12, 2003; and (iii) \$87,000 involved in the money laundering transaction.

ODEH's arrest is part of Operation Northern Star, an 18-month investigation that targeted the methamphetamine trafficking process, including the money launderers who help conceal the criminal proceeds. Investigations and arrests took place in eight cities in the U.S. and Canada.

Mr. COMEY praised the investigative efforts of the Drug Enforcement Administration, the Bureau of Immigration and Customs Enforcement and the New York City Police Department and the assistance of the Federal Bureau of Investigation's Joint Terrorism Task Force.

Assistant United States Attorneys MARC MUKASEY, LAUREN GOLDBERG and BARBARA WARD are in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.